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Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Ms. Dortch,

Re: We understand that the FCC has opened a docket for public comment on the recently announced acquisition of T-Mobile by AT&T. Enclosed, please find comments from Washington Policy Center in regard to this matter.

Sincerely,



Carl Gipson
Director, Technology and Telecommunications Policy
Washington Policy Center

CC: Chairman Julius Genachowski
Commissioner Michael J. Copps
Commissioner Robert M. McDowell
Commissioner Mignon Clyburn
Commissioner Meredith Attwell Baker
Rick Kaplan, Chief Counsel and Senior Legal Advisor for Chairman Genachowski
John Giusti, Chief of Staff and Legal Advisor for Wireless, Public Safety and International for Commissioner Copps
Angela E. Giancarlo, Chief of Staff & Senior Legal Advisor, Wireless & International for Commissioner McDowell
Louis Peraertz, Legal Advisor, Wireless, International, and Public Safety for Commissioner Clyburn
Charles Mathias, Senior Legal Advisor, Wireless, International and Public Safety Issues for Commissioner Baker



WPC Comments on the Proposed Acquisition of T-Mobile by AT&T

Fearing we might somehow return to the days of the old AT&T monopoly, many consumer advocate groups issued statements within hours of the announced sale of T-Mobile to AT&T lamenting the deal. Most of these groups are instinctively against the acquisition based upon conclusions that have little to do with legitimate antitrust concerns.

This acquisition does indeed represent the combination of two of the four major wireless carriers in the United States. AT&T would regain the prime position among the remaining three large national wireless carriers with an approximate customer market share of 45%. There are, however, a number of regional competing wireless carriers spread throughout the nation that compete in both voice and data services and the Commission must take these into account. AT&T's customer market share would be large, but still less than 50%, and far below Google's search market share or Apple's MP3 player market share. Neither Google nor Apple are facing significant antitrust action in the United States.

Assuming the FCC (and other antitrust-review agencies) rely on traditional antitrust laws, it is going to take a lot more than a "gut feeling" to block this deal. This acquisition should be subject to all relevant review, but the agencies will have to prove demonstrable economic or consumer harm to negate this action. Constriction of competition is, *in toto*, an insufficient basis on which to block this acquisition. See the recent Google-ITA acquisition or Delta-Northwest Airlines merger as recent examples.

Spectrum allocation has become one of the more important policy and engineering conflicts in the Information and Communication Technology industry in this young century. The FCC has dragged its feet in deciding how to allocate the necessary spectrum in order to facilitate greater growth in wireless communication. One of the underlying reasons for the AT&T-T-Mobile acquisition, according to the two companies, is to combine their respective spectrum licenses and ease congestion in urban areas, and increase broadband reach in rural areas. These claims merit investigation of course, but if true, would advance the policy objectives of both the FCC and Obama Administration.

The future in wireless is mobile broadband and that means wireless providers need to increase their network speeds and footprint. This is a very costly proposition and because the FCC has such tight control over a scarce resource, AT&T most likely felt

that going the route of purchasing T-Mobile would be easier and less expensive than simply building out its own LTE network.

Any objection raised by the FCC (or other review agencies) should balance both the benefits and costs to the consumers, not just the assumed cost that many advocacy groups are hyping. If the probability level of consumer or economic harm is shown to be low, or superseded by consumer or economic benefits, the FCC should approve this acquisition.

The FCC should put aside the hysteria from groups that are anti-corporate and anti-free enterprise and review this voluntary business transaction objectively. Hopefully, this process will also spur faster development of greater spectrum reallocation for more mobile broadband, which is one of the FCC's and the Administration's major telecommunications goals.

For more information contact:
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